

The background image shows an industrial facility, likely a refinery or chemical plant, with a complex network of steel beams, pipes, and storage tanks. A large blue geometric overlay, consisting of several overlapping triangles, covers the left and bottom portions of the image. The Sheritt logo is positioned in the top left corner of this blue area.

**sheritt**

# 2022 Sustainability Report

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at Sherritt

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# About This Report

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This report provides information on our sustainability performance for the calendar year January 1, 2022 through December 31, 2022. Where relevant, we have also included qualitative updates on key 2023 initiatives.

This report has been prepared with reference to the [Global Reporting Initiative](#) (GRI) and the [Sustainability Accounting Standards Board](#) (SASB). Disclosures may also align with requirements from other relevant sustainability supporting frameworks including [Ipieca](#), the [Task Force on Climate-related Financial Disclosures](#) (TCFD), the [Carbon Disclosure Project](#) (CDP) and the [International Council for Mining and Metals](#) (ICMM).

Information about Sherritt’s sustainability approach and initiatives, as well as past sustainability-related disclosures, can be found on our [website](#).

For information on this report, please email [sustainability@sherritt.com](mailto:sustainability@sherritt.com). For all other inquiries, please contact [info@sherritt.com](mailto:info@sherritt.com).

## How to Use This Report

This report uses interactive features to link to various parts of the report or access additional content online.

Navigate through the report by selecting an item from the left-hand column.

To review other disclosure documents, please visit our [website](#).



# CEO Message

Sustainability  
at Sherritt

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It is my pleasure to share with you Sherritt’s Annual Sustainability Report. 2022 was a year of exceptional progress for Sherritt as the Company continued to progress key strategic priorities for long-term success and viability of the business. We advanced work on achieving our current sustainability targets and laid the groundwork to ensure we can continue to be a preferred supplier of low-cost, responsibly produced critical minerals.

The focus of management and the Board in 2022 was to continue positioning Sherritt for future success. We achieved this by initiating a focused metals expansion program, advancing our operational and Environment, Social and Governance (ESG) priorities, and strengthening the relationship with our Cuban partners, which underpins future opportunities to grow our joint venture (JV) businesses. The timing of these efforts in our metals business is perfectly aligned with the global focus on investing in producers who are bringing to market the critical minerals needed for a lower carbon future. It also supports our ability to remain an active part of the solution to Cuba’s socio-economic development challenges that remain exacerbated by the continued U.S. sanctions. Sherritt remains committed to supporting Cuba’s development goals by promoting economic self-sufficiency and reliable energy production, and delivering benefits provided through employment, training and community investment projects.

At our Moa JV, initiatives to improve overall environmental and energy management at both the Moa Nickel mine and the Fort Site refinery continued throughout 2022. With the signing of our agreements with our Cuban partners to settle outstanding debts, and the feasibility assessments undertaken in 2022 to define an updated life of mine for Moa utilizing an economic cut-off grade, we now have the assurances needed to make strategic capital and operational investments to materialize our established sustainability targets. Our teams have worked steadily throughout the year to investigate long-term climate-related solutions at both the mine and refinery, including conducting a feasibility assessment on a potential solar farm at Moa, and progressing on carbon capture opportunities at the Fort Site. We have also continued advancing climate-related studies for the JV, with the completion of a TCFD-aligned risk and opportunity assessment at the Fort Site, and the initiation of a greenhouse gas (GHG) baseline assessment

at Moa beginning in Q2 2023. Collectively, these activities are expected to identify concrete next steps for achieving our short- and long-term carbon reduction targets, whilst ensuring we continue to provide our customers with products that meet their own ESG objectives and expectations.

Throughout 2022 we also renewed our power generation contract with the Cuban government through to 2043. While our power business continues to be the greatest source of GHG emissions across all Sherritt operations, our GHG baseline and energy assessments have demonstrated that power generated by Energas has a 30% lower emissions intensity than the Cuban grid average, and that our participation in the Cuban energy sector has resulted in a displacement of approximately 15 million tonnes of CO<sub>2</sub> since 1998. We continue to invest considerable resources into identifying and implementing opportunities for improving the emissions intensity of this critical power supply. We continue to be a reliable source of power for Cuba, a country that remains in a critical energy deficit. Our role is even more acute in times of crisis. Following the Matanzas oil storage facility explosion in August and when Hurricane Ian hit western Cuba in September 2022, Energas was able to supply much needed power as the country experienced widespread power outages. With the renewal of our contract and the baseline work conducted in 2022, we have identified several opportunities to increase the amount of power produced in the future, at an expected lower emissions intensity moving forward. I look forward to reporting on the progress made on these initiatives in future years.

More broadly throughout 2022, Sherritt continued to make overall improvements to the sustainability of our operations, aligned with stakeholder expectations. We remained actively engaged on de-risking our tailings facilities at Moa and increased the number of female employees at Sherritt. We further embedded sustainability responsibilities in all our business functions, with the aim of deconstructing any residual silos that



could impede our ability to deliver on our ESG targets. We continued to make significant investments into key community development projects that are aligned with the needs of local communities, and to foster partnerships with community development organizations and governments that will result in more meaningful and widespread benefits.

Although we are reporting a strong health and safety record at our operations in 2022, it was with great sadness we announced two fatalities at our Moa Nickel site in early 2023. We will detail these incidents further in our 2023 Sustainability Report, but in the interim, we wish to emphasize the importance we place on maintaining a robust safety culture at all of our operations. With our Cuban partners, we are implementing immediate measures to enhance our focus on safety at Moa Nickel. The safety and well-being of our employees remains our highest priority and we are fully committed to taking every necessary measure to provide a safe work environment for everyone.

I invite you to review progress on our sustainability initiatives throughout this report, and in line with Sherritt’s firm commitment to transparency, I look forward to sharing our progress, challenges and solutions as we advance our sustainability journey in the years to come.

**Leon Binedell (signed)**  
President and Chief Executive Officer  
Sherritt International Corporation

# Our Operations

Founded in 1927, with current operations in Canada and Cuba, Sherritt is a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt – metals deemed critical for the energy transition. A brief summary of our operations is provided below. For a detailed overview of the business, please refer to Sherritt’s [2022 Annual Information Form](#).

## Moa Joint Venture and Fort Site

Sherritt has a 50/50 partnership with General Nickel Company S.A. (GNC) of Cuba in the Moa JV. In addition, Sherritt has a wholly owned fertilizer business, a sulphuric acid facility, and utilities, storage and administrative facilities in Fort Saskatchewan, Alberta, Canada (Fort Site) that provide additional sources of income.

The Moa JV is a vertically integrated nickel and cobalt mining, processing, refining and marketing JV between subsidiaries of Sherritt and GNC. The operations of the Moa JV are carried out through three companies:

- Moa Nickel S.A. (Moa Nickel) – owns and operates the mining and processing facility in Moa, Cuba;
- The Cobalt Refinery Company Inc. (CRC) – owns and operates the metals refinery in Fort Saskatchewan, Alberta; and
- International Cobalt Company Inc. (ICCI) – acquires mixed sulphides from Moa Nickel and other third-party feeds, contracts with CRC for the refining of such purchased materials, and then markets the finished nickel and cobalt; located in Nassau, Bahamas.

The Moa JV operates in Moa, Cuba, and Fort Saskatchewan, Canada. Within the report, the operations in Moa will be referred to as “Moa Nickel” and the operations in Fort Saskatchewan will be referred to as “the Fort Site”.

## Power

Sherritt holds a one-third interest in Energas S.A. (Energas), a Cuban JV corporation established to operate facilities for the processing of raw natural gas and the generation of electricity for sale and delivery to the Cuban national electrical grid system.

The remaining two-thirds interest in Energas are held equally by two Cuban government agencies: Unión Eléctrica and Unión Cubapetróleo.

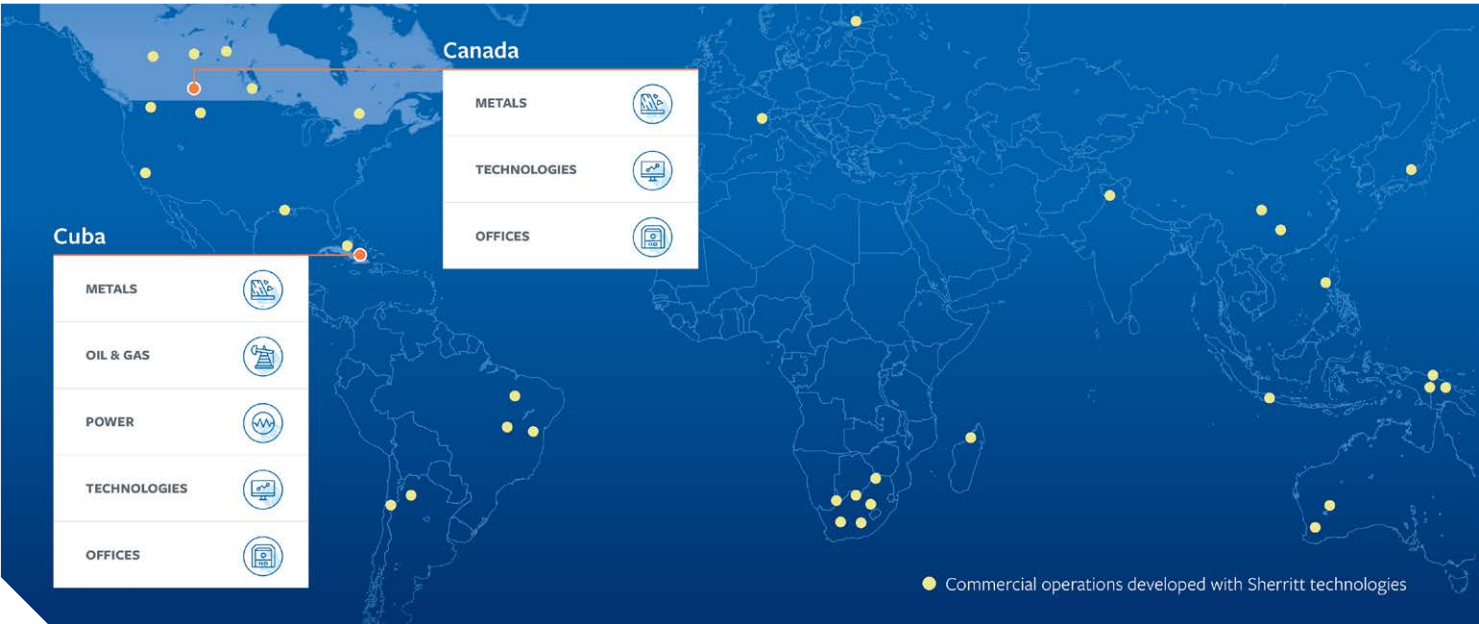
Within the report, the Oil & Gas operations will be referred to as “Oil & Gas” and the Power operations will be referred to as “Energas”. On occasion, information is aggregated for both Oil & Gas and Energas due to a common management structure; where this is done, “OGP” (Oil, Gas & Power) will be used.

## Technologies

Sherritt’s Technologies group (Technologies) provides technical support, process optimization and technology development services to the Moa JV and Fort Site operations and identifies opportunities for the Corporation to commercialize its research and development for natural resource-based industries. Technologies has a particular focus on making next generation lateritic ore mining more economically viable and more sustainable and on the hydrometallurgical recovery of non-ferrous metals.

## Oil & Gas

Sherritt’s Oil & Gas Division (100% ownership) explores for oil and gas primarily from reservoirs located offshore, but in close proximity to the coastline along the north coast of Cuba, and provides drilling services for third parties. Sherritt has continued its efforts to seek an earn-in partner to develop these exploration blocks or to otherwise extract value from our interests and expertise in oil and gas in Cuba. Presently, there is very little activity within this division, and subsequently only limited ESG implications for the business.



# Sustainability at Sherritt

Sherritt is committed to ensuring our operations meet industry best practices. Our Sustainability Framework and management systems provide a focused and practical approach to addressing material sustainability issues, risks and opportunities to enhance performance.

## IN THIS SECTION

- Our Approach
- Responsible Production and Supply
- Purpose, Values and Promises
- Sustainability Framework
- Management System
- Sustainability Goals
- Materiality Assessment

# Our Approach

**Sustainability at Sherritt**

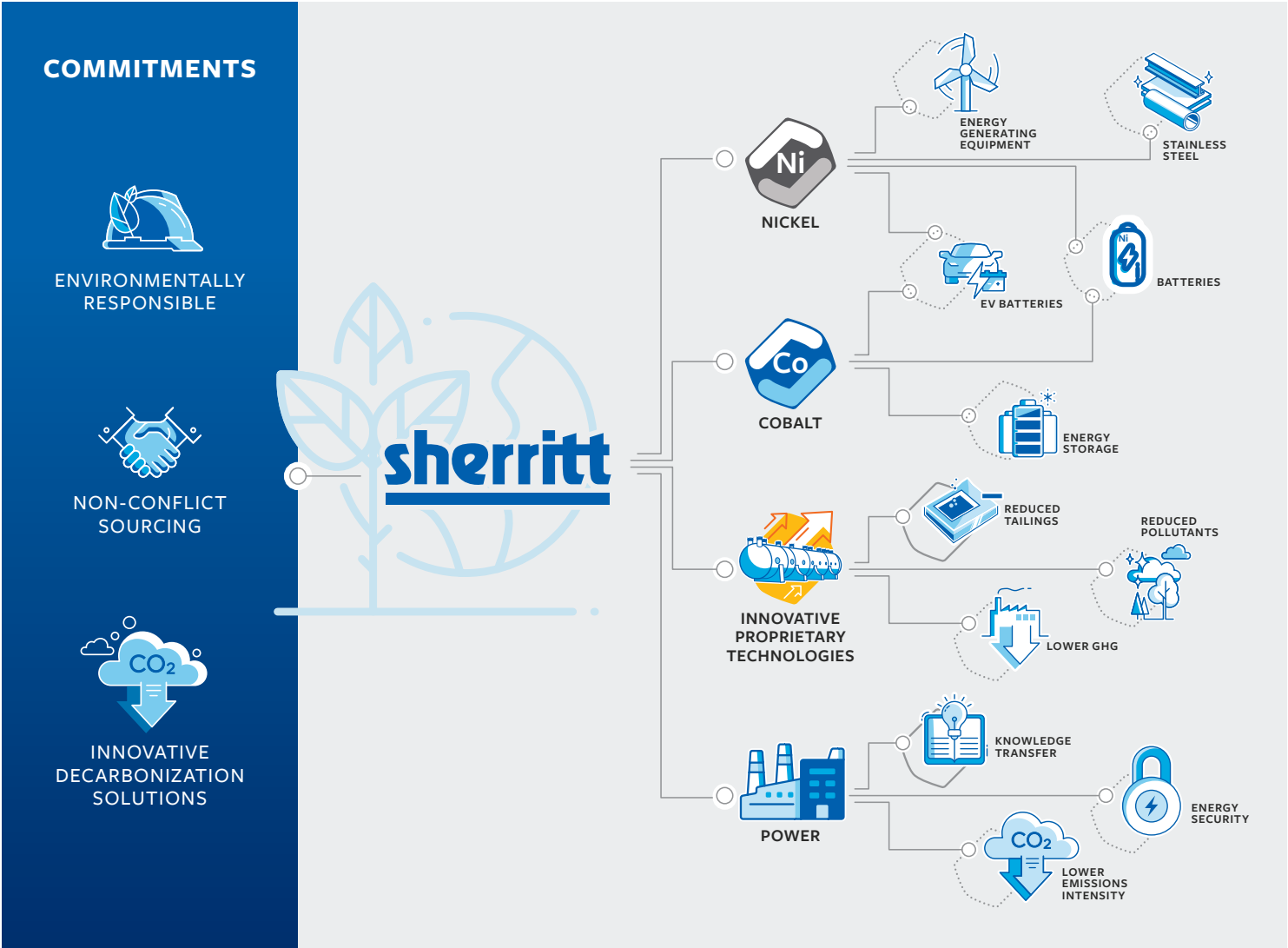
Environment

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Governance

Sherritt recognizes the critical role businesses play in addressing global environmental and community development challenges.

For Sherritt, this means both implementing measurable ESG improvements in our own operations and bringing to market the materials and technologies needed for a just transition. While we remain focused on progressing our own sustainability goals, we are also working with our host country governments to support their own carbon-reduction and socio-economic initiatives by providing operational optimizations and carbon-reduction technologies and processes throughout all divisions of our business.



# Responsible Production and Supply

Sherritt’s responsible sourcing strategy encompasses all elements of the mineral supply chain, from sourcing to the production of our finished products.

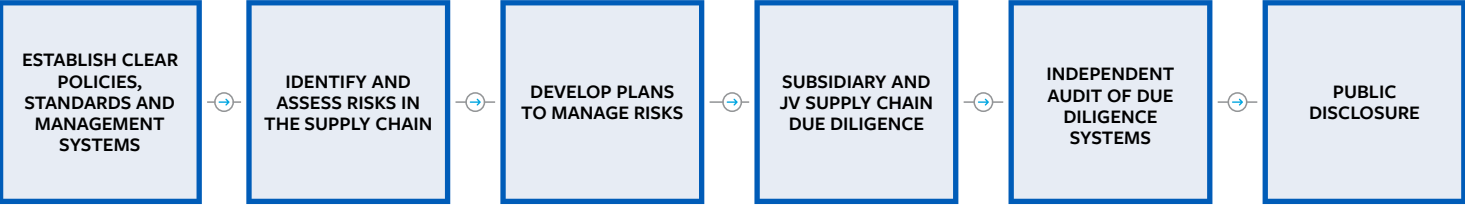
Sherritt’s [Responsible Production and Supply Policy](#) and [Human Rights Policy](#) identify our commitments, and our [Mineral Supplier Code of Conduct](#) identifies expectations for suppliers and due diligence processes to be followed to ensure risks in our mineral supply chain are identified and mitigated.

Sherritt has a robust management system in place to manage environmental and social risks and to meet or exceed performance targets.

Throughout 2022 Sherritt continued to make progress against our action plans for addressing the requirements of the Organisation for Economic Co-operation and Development’s (OECD) [Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#). Additionally, we are actively engaged with the standards of the [Mining Association of Canada](#) (MAC), the [Responsible Minerals Initiative](#) (RMI), the [London Metal Exchange](#) (LME), the [Nickel Institute](#) and the [Cobalt Institute](#) to ensure alignment with recognized responsible sourcing initiatives, standards and frameworks. Sherritt advocates for the adoption of all these guidelines by its partners, subsidiaries and JV organizations.

Following the release of our 2021/22 OECD Step 5 Due Diligence Report, Sherritt received confirmation from the LME that we had completed all outstanding ‘Track B’ responsible sourcing requirements. Throughout 2023, the Fort Site will be working to obtain ISO 14001 and 45001 certifications to fully comply with LME responsible sourcing management system requirements.

## Sherritt’s Responsible Production and Supply Due Diligence Approach



# Purpose, Values and Promises

**PURPOSE**

Sherritt’s purpose is to be a leading producer and enabler of critical minerals, creating sustainable prosperity for our employees, investors and communities.

**VALUES**

The values that underpin our everyday decision-making at both the corporate and operational levels include:

- Integrity
- Agility
- Safety and sustainability
- Continuous learning and innovation
- Shared prosperity

**PROMISES**

**We are committed** to avoiding environmental impacts wherever we can and minimizing, managing and remediating any remaining impacts.

**We are committed** to providing a safe and rewarding workplace for our employees, operating ethically, and engaging stakeholders and benefitting communities wherever we operate.

**We are committed** to a long-term target of achieving net carbon neutrality by 2050 and have developed a climate strategy to achieve that target.

## Sustainability Framework

Sherritt’s Sustainability Framework provides a focused and practical approach to addressing material sustainability issues, risks and opportunities, and to manage performance.

The framework is underpinned by four key pillars:

1. Providing a Safe, Respectful, Inclusive and Rewarding Workplace
2. Operating Ethically
3. Demonstrating Environmental Responsibility
4. Engaging Stakeholders and Benefitting Communities

Within each of these pillars, Sherritt has made specific commitments, identified key organizational values and set corresponding targets to guide our decision-making. Implementation of the Sustainability Framework is supported by an integrated management system that sets company-wide standards for planning, implementation, measurement, reporting and assurance of sustainability efforts.



# Management System

Sustainability at Sherritt

Environment

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Sherritt takes an enterprise-wide approach to managing sustainability, which includes an integrated system with a series of sustainability standards. A description of the governance frameworks in place for effective implementation of our sustainability management system is described here.

Our [Environment, Health, Safety & Sustainability Policy](#) identifies our commitments and expectations for our employees, contractors and suppliers. Given the differences between the operating environments in Canada and Cuba, each of our operations has some flexibility in the way they implement these standards at their sites. Site-specific requirements in the standards reflect our experience, our risk profile and industry best practice.

Sherritt is an active member of MAC, and we are implementing the requirements of MAC’s [Towards Sustainable Mining \(TSM\) protocols](#). TSM is a globally recognized sustainability program that supports mining companies in identifying and mitigating key environmental and social risks. TSM protocols inform several of our policies, operating procedures and sustainability priorities. Our past and present performance against TSM standards can be found [here](#). In addition, Sherritt is a member of the [Voluntary Principles on Security and Human Rights](#). These best-practice principles underpin our

[Human Rights Policy](#) and our approach to security at each of the sites. Sherritt is also a member of the Nickel Institute and Cobalt Institute, which provide guidance to members on recognized best-practice standards and frameworks. Lastly, Sherritt is an active member, and a member of the Steering Committee, for the Devonshire Initiative, which is a multi-stakeholder forum focused on improving sustainable development outcomes in the mining industry.

As described in the Responsible Production and Supply section, Sherritt is also aligning our management systems to meet the requirements of the OECD, the RMI and the LME. In addition to maintaining participation, Sherritt reports on the implementation of best-practice recommendations issued by several organizations and institutions that provide guidance for managing environmental and social performance. These include the following:



TABLE 1 – SHERRITT MEMBERSHIP AND BEST PRACTICE FRAMEWORKS

Organization	See More from Sherritt
<a href="#">OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas</a>	<a href="#">Responsible Production and Supply Policy</a>
<a href="#">The Responsible Minerals Initiative</a>	<a href="#">2021–22 OECD Step 5 Due Diligence Report</a>
<a href="#">Church of England Investor Mining and Tailings Safety Initiative</a>	<a href="#">2022 Tailings Management Report</a>
<a href="#">Global Industry Standard on Tailings Management</a>	
<a href="#">Task Force on Climate-related Financial Disclosures</a>	<a href="#">2022 Climate Report</a>



**Sustainability at Sherritt**

Environment

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**Sherritt’s five-year sustainability goals are focused on:**

- Aligning the enterprise by focusing on those sustainability priorities shared across Sherritt’s business;
- Addressing existing and emerging industry-wide issues and societal concerns;
- Clearly linking Our Purpose and Our Promises, strategic priorities and the Sustainability Framework;
- Driving improved performance across the business;
- Demonstrating our commitment to sustainability excellence; and
- Aligning with the United Nations Sustainable Development Goals (SDGs).

**Our five-year sustainability goals are as follows:**

1. Achieve Level A requirements in TSM protocols across all operations.
2. Strengthen our safety culture, behaviour and performance.
3. Improve environmental management.
4. Create community benefit footprints that support local priorities and the SDGs.
5. Improve diversity at all levels throughout the company.
6. Be recognized as a preferred supplier of responsibly produced products.





In 2022, we made significant progress on advancing our targets. For a summary of 2022 performance highlights against our goals, and a description of their alignment with the SDGs, see Table 2 on the next page.



TABLE 2 – 2022 PERFORMANCE AGAINST OUR FIVE-YEAR SUSTAINABILITY GOALS AND ALIGNMENT WITH SDGs





Sustainability Goals	Sustainability Targets	2022 Performance	United Nations Sustainable Development Goals
<b>Goal 1:</b>  Achieve Level A requirements in TSM protocols across all operations	<b>TSM</b> All operations independently verified to have achieved Level A in TSM protocols by 2024	✓	<div><div>3GOOD HEALTH AND WELL-BEING</div><div>5GENDER EQUALITY</div><div>8DECENT WORK AND ECONOMIC GROWTH</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>
	<b>ISO</b> Fort Site: ISO 45001 (occupational health and safety) and ISO 14001 (environmental management systems) certified by 2023  Moa Nickel: ISO 45001 and ISO 14001 certified by 2025	✓	<div><div>13CLIMATE ACTION</div><div>14LIFE BELOW WATER</div><div>15LIFE ON LAND</div><div>16PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>
	<b>PROCESS SAFETY</b> Fort Site: independently verified to full conformance with CSA-Z767-17 (process safety management) by 2025  Energas sites: conformant with Cuban Resolution 148 by 2025	✓	<div><div>17PARTNERSHIPS FOR THE GOALS</div></div>
	<b>OTHER</b> Year-over-year improvement in analyst ESG ratings	✓	
<b>Goal 2:</b>  Strengthen our safety culture, behaviour and performance	<b>LEADING INDICATORS</b> Achieve an interdependent safety culture by 2030  Independent validation of the implementation of Sherritt’s Fatality Prevention Standards and visible felt leadership programs by 2024	✓	<div><div>3GOOD HEALTH AND WELL-BEING</div><div>8DECENT WORK AND ECONOMIC GROWTH</div></div>
	<b>LAGGING INDICATORS</b> Zero fatalities  TRIFR, LTIFR and AIFR < three-year average: TRIFR < 0.31, LTIFR < 0.15, AIFR < 2.68 by 2024  <b>TRIFR:</b> Total Recordable Incident Frequency Rate <b>LTIFR:</b> Lost Time Incident Frequency Rate <b>AIFR:</b> All Injury Frequency Rate	✗	
	<b>MANAGEMENT SYSTEMS</b> All operations independently verified to have achieved Level A in TSM Safety & Health Protocol by 2024	✓	

✓ **Achieved** – target achieved to date    ✓ **On track** – performance aligned to hit targets    ⌚ **Ongoing** – additional work is needed to validate we are on track to hit target    ✗ **Not achieved** – target has not been achieved, or progress to date suggests target will not be achieved in the given time frame

Sustainability Goals	Sustainability Targets	2022 Performance	United Nations Sustainable Development Goals
<b>Goal 3:</b> Improve environmental management	<b>INCIDENTS</b> Zero significant environmental incidents (as defined by Sherritt’s standard)	✔	   
	<b>CLIMATE AND ENERGY</b> Achieve net zero GHG emissions by 2050  Reduce overall GHG emissions intensity by 10% by 2030  Obtain 15% of overall energy from renewable sources by 2030  All operations independently verified to have achieved Level A in TSM Climate Change Protocol by 2024  Implement a climate plan that includes risk and opportunity assessments, and mitigation, adaptation, innovation and communication measures	🕒	
	<b>AIR EMISSIONS</b> Reduce NO <sub>x</sub> emissions intensity by 10% by 2024  Reduce H <sub>2</sub> S point emissions intensity by 5% by 2024  <small>NO<sub>x</sub>: Nitrous oxide    H<sub>2</sub>S: Hydrogen sulphide</small>	🕒	
	<b>WATER</b> Increase water reuse/recycling by 5% by 2024  All operations independently verified to have achieved Level A in TSM Water Stewardship Protocol by 2024	🕒	
	<b>TAILINGS</b> Moa Nickel: independently verified to have achieved Level A in TSM Tailings Management Protocol by 2024	🕒	

✔ **Achieved** – target achieved to date    ✔ **On track** – performance aligned to hit targets    🕒 **Ongoing** – additional work is needed to validate we are on track to hit target    ✖ **Not achieved** – target has not been achieved, or progress to date suggests target will not be achieved in the given time frame

Sustainability Goals	Sustainability Targets	2022 Performance	United Nations Sustainable Development Goals
Goal 4:  Create community benefit footprints that support local priorities and the SDGs	<b>INCIDENTS</b> Zero fatalities involving members of the community  Zero significant environmental incidents impacting the community		   
	<b>COMMUNITY INVESTMENT</b> 100% of community investments aligned with local priorities by 2024		   
	<b>INDIGENOUS RELATIONS</b> Fort Site: independently verified to have achieved Level A in TSM Indigenous and Community Relationships Protocol by 2024		
Goal 5:  Improve diversity at all levels throughout the company	<b>REPRESENTATION</b> Increase board composition to at least 30% women by 2022  Increase number of female employees to 36% by 2030		  
	<b>ORGANIZATIONAL CULTURE</b> All operations to implement Sherritt's Diversity and Inclusion Framework		
Goal 6:  Be recognized as a preferred supplier of responsibly produced products	<b>EXTERNAL FRAMEWORKS</b> Comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas by 2024  Comply with LME responsible sourcing requirements by 2024		  
	<b>MANAGEMENT SYSTEMS</b> All operations independently verified to have achieved Level A in TSM Prevention of Child and Forced Labour Protocol by 2024  Fort Site: ISO 45001 and ISO 14001 certified by 2023  Moa Nickel: ISO 45001 and ISO 14001 certified by 2025		

 **Achieved** – target achieved to date     **On track** – performance aligned to hit targets     **Ongoing** – additional work is needed to validate we are on track to hit target     **Not achieved** – target has not been achieved, or progress to date suggests target will not be achieved in the given time frame

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Materiality Assessment

Sustainability at Sherritt

- Environment
- Community and Social Impact
- Governance

As in previous years, our 2022 materiality assessment focused on identifying priority sustainability issues and risks.

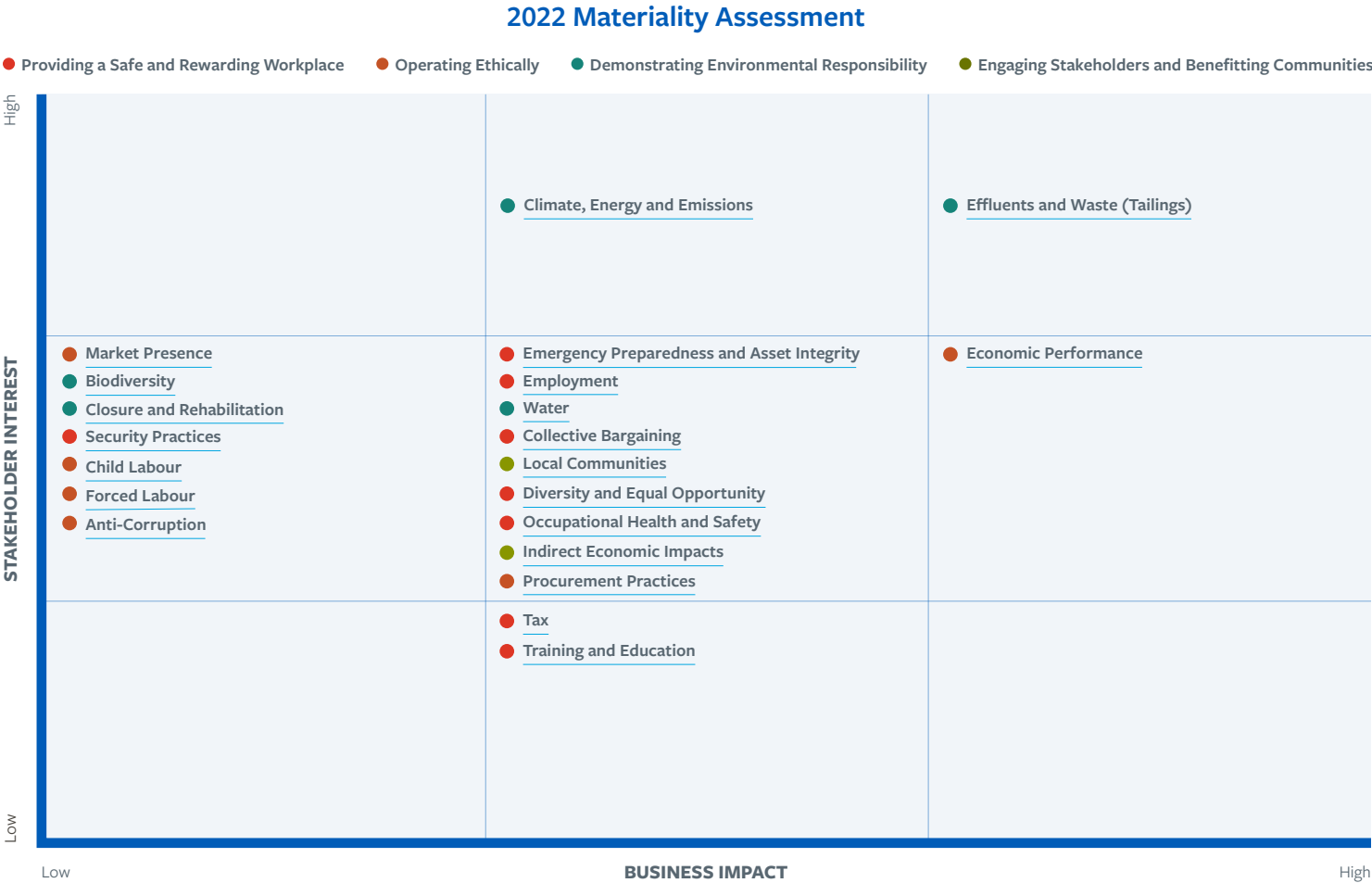
As was the case in previous years, our assessment began by preparing a consolidated listing of all GRI and SASB standard disclosure topics as well as those specific to the Mining and Metals and Oil and Gas sectors. Sherritt’s internal subject-matter experts conducted an initial screening of a list of all potential topics to identify their relevance to our operations. Any topic of relevance to our operations was carried forward for an evaluation of its potential importance to stakeholders and potential impact on the business. Once the initial screening had been completed, the Sustainability team hosted a workshop with key staff members across multiple departments within Sherritt, who have expertise in operations, health and safety, enterprise-risk management, legal, financial planning, tax and treasury. Collectively, these representatives from across the organization provided perspectives on assigning a low, medium or high rating to each topic, based on the considerations outlined below.

Stakeholder interests were evaluated considering industry and/or global trends and priorities, as well as more localized and site-specific needs and priorities. Where conflicting priorities between those may exist (i.e., climate and emissions versus economic development), we discussed in the materiality workshop how best to arrive at a balanced view. Our definition of stakeholders included employees, contractors, local communities, suppliers, investors and investment analysts.

To evaluate impacts to the business, we considered the extent to which management’s approach to a specific topic could impact our ability to operate from a process or safety standpoint, potential impacts on social licence or environmental compliance, the extent to which topic-specific issues may affect attracting and retaining talent, and our own five-year sustainability goals and priorities. We also considered the degree to which material issues may already be well-managed

or regulated by existing internal policies or external legislation and prioritized these lower accordingly. While material issues that were ranked as being low in importance to both stakeholders and the business are not shown in our materiality assessment results, where possible we have included data on these topics in the Sustainability Report irrespective of their scoring in this assessment.

A discussion on the broader set of material issues and risk factors that affect Sherritt – including U.S. sanctions on Cuba – can be found in our [2022 Annual Information Form](#).



# Environment

Sherritt is committed to implementing a robust environmental management system that is aligned with global industry standards and designed to facilitate strict compliance with regulations and our Operating Licences. We continually seek ways to minimize the impacts of our operations on the environment. A summary of our management approach to material environment topics and 2022 performance is provided on the next few pages. For detailed disclosures on all key topics, please refer to our [2022 Sustainability Scorecard](#).

## **IN THIS SECTION**

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- Water
- Effluents and Waste
- Tailings
- Climate, Emissions and Energy
- Feature Story: Energas Business Baseline Assessment
- Feature Story: Fort Site Climate Risk and Opportunity Analysis
- Biodiversity
- Feature Story: Enhancing Biodiversity Management at the Fort Site



## 2022 Highlights

- ▶ No material non-compliances with local environmental regulations
- ▶ Completed a TCFD-aligned climate risk and opportunity assessment at the Fort Site
- ▶ No significant environmental spills at any of our sites in 2022
- ▶ Kicked-off a baseline energy/GHG assessment of our Energas operations, which was completed in Q2 2023
- ▶ High-level risk assessments determined none of Sherritt's operations are in identified high water risk areas

# Water

Sherritt recognizes that water is an important shared resource, integral to the well-being of communities, essential for ecosystems and a vital input for our operations.

Sherritt’s operations are continually taking steps to optimize practices and minimize the amount of water we use, and we have included increasing the amount of water recycled/reused at our sites in our [five-year sustainability goals](#).

Water management at each of our sites is tailored to the specific technical requirements, local climate and hydrogeology, and stakeholder interests; however, this is all governed by our overarching Water Management Standard. Sherritt’s Water Management Standard is guided by the principles and practices of the [TSM Water Stewardship Protocol](#). Through implementation of the Water Management Standard, our sites can effectively:

- 1. Identify, evaluate and respond to catchment-level water-related risks and opportunities.
- 2. Proactively and transparently manage water quantity and quality to reduce potential environmental and social impacts and realize opportunities and collaboration with local regulatory authorities and other stakeholders.

TABLE 3 – WATER WITHDRAWAL (GRI 303-1)

Disclosure Component	Location	2022	2021
Total freshwater withdrawn by segment, in thousands of cubic meters	Fort Site	2,511.331	2,555.000
	Moa Nickel	15,345.000	13,712.029
	Energas	70.435	105.349

# Effluents and Waste

As previously reported in our annual sustainability disclosures, when Sherritt invested in the Moa Nickel Site, we inherited a legacy discharge issue that affected water quality in a nearby river.

The discharge is referred to as “waste liquor.” Waste liquor is a by-product of the refining process at Moa Nickel, and it is comprised of sulphuric acid and metals. It is currently discharged untreated to Moa Bay via a pipeline from the site. Limits for the total amount of waste liquor discharge are established and regulated by Cuban authorities and the site remains in compliance with its Operating Licence.

Throughout 2022, Sherritt investigated several recovery options to further minimize impacts of the discharge and optimize potential recovery of metals for further processing. Feasibility studies to determine the viability of these options will advance throughout 2023, and we will continue to report on progress against this initiative in future years.



# Tailings

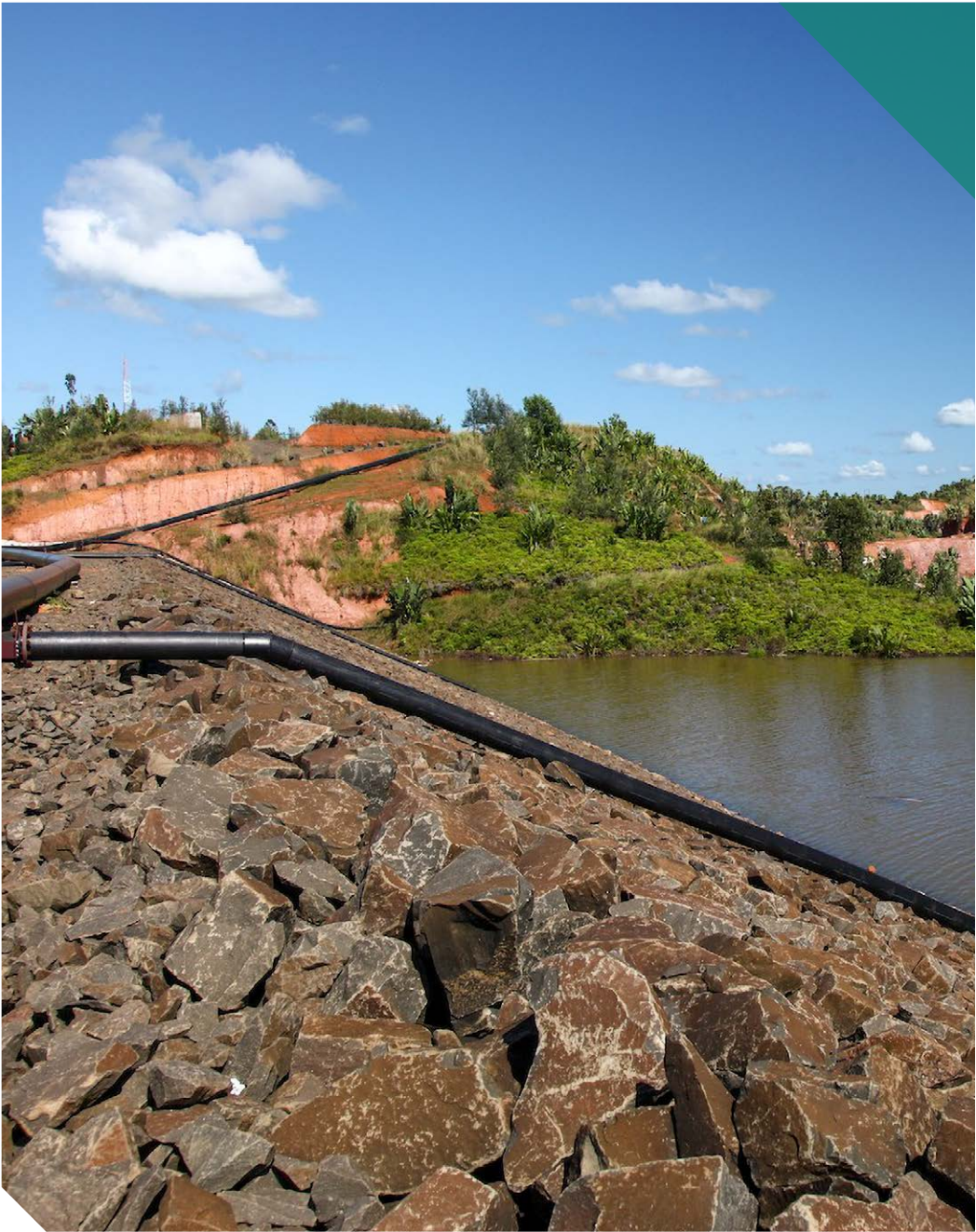
There are several tailings management facilities (TMFs) at Moa Nickel. A geotechnical engineer is employed to provide oversight of design, construction and operation of the tailings facilities. Third-party engineering firms are utilized in the design and monitoring of tailings facilities, and an Independent Tailings Review Board (ITRB) provides third-party audit and assurance activities and issues binding recommendations.

Sherritt and its partner have also been actively investigating options for tailings management expansions so that we can continue to support future mining operations. When evaluating expansion options, Sherritt works with its partners to ensure design criteria minimize environmental impacts and meet international best practices in tailings management. An annual Tailings Action Plan is established at Moa Nickel, based on inputs from the ITRB, operational staff and third-party engineers to document targets for advancing reclamation on facilities undergoing closure, retrofit historical TMFs to better meet today’s standards and maintain long-term storage capacity aligned with the Moa Nickel life of mine. It remains Sherritt’s goal to ensure its JV operates and maintains its TMFs in accordance with global best practices for safety. We continually review our facilities and procedures and are committed to pursuing the highest standards at our operations.

As a member of MAC, Sherritt is committed to implementing and achieving the highest standards contained in the [TSM Tailings Management Protocol](#). Sherritt recognizes MAC’s guidance documents on tailings management as a benchmark of good management practice. For a more detailed summary regarding our approach to tailings management, please read our [2022 Tailings Management Report](#), which includes data needed to meet disclosure requirements of the Church of England.

TABLE 4 – TOTAL AMOUNTS OF OVERBURDEN, ROCK, TAILINGS AND SLUDGES (GRI MM3)

Component (tonnes)	2022	2021
Rock amount	57,338.000	108,117.000
Overburden amount	3,174,159.000	3,497,581.000
Tailings amount	3,074,314.000	3,059,888.000



# Climate, Emissions and Energy

Assessing climate change-related risks and opportunities is an integral part of our overall risk management and strategy development processes.

Effective management of climate change-related risks and opportunities across all aspects of our business is vital to our continued ability to operate. Several key activities aimed at providing us with critical data for our climate strategy were advanced or commenced in 2022, including:

- Completed a TCFD-aligned climate risk and opportunity assessment at the Fort Site;
- Integrated outcomes of the Fort Site climate risk and opportunity assessment into internal enterprise risk management frameworks;
- Kicked-off a baseline energy and GHG assessment of our Energas operations, completed in Q2 2023;
- In conjunction with the Cobalt Institute, completed a life-cycle assessment for cobalt production;
- In conjunction with the Nickel Institute, kicked-off a life-cycle assessment for nickel production;
- Advanced the pre-feasibility assessment for a potential solar farm at Moa Nickel; and
- Continued to investigate a carbon capture, utilization and storage (CCUS) project at the Fort Site in line with regulator and project sponsor advancements.

Work completed in 2022 continued to advance our ability to refine and identify short-term (1–5 years), medium-term (5–10 years) and long-term (10+ years) climate-related risks and opportunities and meaningful and effective mitigation and management strategies to reduce risk and enhance our ability to seize opportunities. As we progress on the development of our decarbonization strategy, Sherritt expects to incorporate a combination of both abatement tools (e.g., solar farm for Moa Nickel) and offsetting opportunities (e.g., CCUS at Fort Site). For a detailed overview of our approach to climate-related risks and opportunities, and our efforts to advance our decarbonization journey, please see our [2022 Climate Report](#).

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TABLE 5 – METALS BUSINESS EMISSIONS AND PRODUCTION VALUES (GRI 305-1&2)<sup>1</sup>

		2022	2021
Emissions <sup>2</sup>	Scope 1 GHG emissions (tonne CO <sub>2</sub> e)	923,132.712	941,721.884
	Scope 2 GHG emissions (tonne CO <sub>2</sub> e)	119,558.000	123,122.000
Production	Cobalt (tonne)	3,367.075	3,526.000
	Nickel (tonne)	32,267.933	31,184.000

1 No external assurance of this data has occurred for the years reported here.

2 Production and Scope 1 and 2 emissions values shown are inclusive of both Sherritt and our joint venture partner's. In opting to facilitate this disclosure on our partner's behalf, the total emissions attributed to Sherritt are over-represented. The total of each of these values that can be attributed to Sherritt are 50% due to the level of equity ownership by Sherritt in this joint venture

TABLE 6 – ENER GAS EMISSIONS AND PRODUCTION VALUES (GRI 305-1&2)<sup>1</sup>

		2022	2021
Emissions <sup>2</sup>	Scope 1 GHG emissions (tonne CO <sub>2</sub> e)	2,704,379.825	2,077,207.387
	Scope 2 GHG emissions (tonne CO <sub>2</sub> e)	27,660.000	17,138.000
Production	Natural gas (tonne or tonne of oil equivalent (toe))	14.133	14.144
	Liquid petroleum gas (tonne)	6,170.450	8,700.200
	Net power generation (GJ)	6,745,700.000	4,859,091.000

1 No external assurance of this data has occurred for the years reported here.

2 Production and Scope 1 and 2 emissions values shown are inclusive of both Sherritt and our joint venture partner's. In opting to facilitate this disclosure on our partner's behalf, the total emissions attributed to Sherritt are over-represented. The total of each of these values that can be attributed to Sherritt are 33% due to the level of equity ownership by Sherritt in this joint venture.



FEATURE STORY:

Energas Business Baseline Assessment

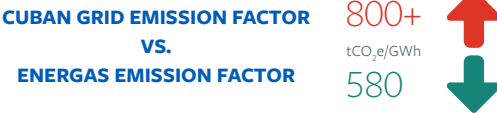
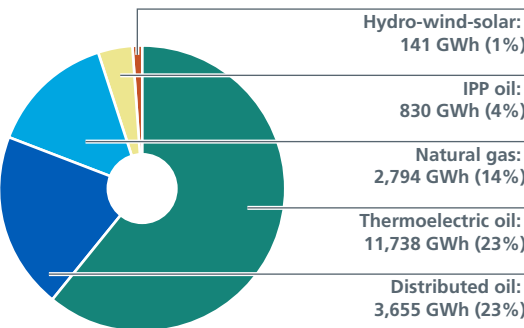
In support of Sherritt’s climate strategy, Sherritt is completing the necessary steps to better understand the current energy intensity and GHG emissions associated with our operations. Starting in Cuba with our Power operations, Sherritt kicked-off an energy/GHG emissions baseline assessment in 2022 with the goal of quantifying emissions and identifying opportunities for absolute emissions reductions.

Sherritt contracted an industry expert consulting team who completed the following as part of their assessment:

- 1. Analyzed and benchmarked site-level energy intensity
- 2. Determined Scope 1 and 2 emissions and material Scope 3 emissions
- 3. Identified potential decarbonization opportunities
- 4. Developed a funding and incentive strategy

The results of this study have revealed several emission reduction opportunities and resulted in a deepened understanding of how impactful Sherritt’s participation in developing the Cuban power grid has been for reducing overall global emissions. Although the organization previously had an anecdotal understanding of the net-benefit impacts of our operations on Cuba’s carbon-reduction goals, the study confirmed that Sherritt’s power operations generate approximately 30% less GHG emissions per MWh of power than the average power production on the Cuban grid based on an Energas weighted average emission factor of 0.58 tCO<sub>2</sub>e/MWh versus the Cuban grid emission factor of 0.8 tCO<sub>2</sub>e/MWh.

CUBAN POWER GENERATION BY SOURCE



Lower emission intensity than grid average  
15 million tCO<sub>2</sub> GHG displaced since 1998

FEATURE STORY:

Fort Site Climate Risk and Opportunity Analysis

In 2022, an independently facilitated TCFD-aligned climate scenario analysis was completed for the Fort Site. The physical risk assessment component of this analysis used Intergovernmental Panel on Climate Change scenarios representing a temperature rise well below 2°C and a temperature rise of 4°C, and the carbon tax risk assessment considered prices motivated by the International Energy Agency announced pledges and net zero emissions scenarios. Although no material climate-related controllable risks were identified, the outcomes of this analysis provided Sherritt with business-relevant information on the type and severity of identified climate-related physical risks, and transitional risks and opportunities. Sherritt has incorporated the findings of this assessment into our overall enterprise risk management framework to prioritize risks and opportunities and financial impacts. In 2023, similar assessments will be completed for Sherritt’s Cuban operations.

See the **2022 Climate Report** for a summary of all climate-related risks and opportunities Sherritt is currently managing.



# Biodiversity

Sherritt is committed to identifying, managing, protecting and conserving biodiversity. Our Biodiversity Management Standard is designed to meet all the Level A requirements of the [TSM Biodiversity Conservation Management Protocol](#).

To achieve implementation of our Biodiversity Management Standard, operating sites are required to develop a site-level biodiversity action plan that assesses potential impacts or risks to biodiversity and identifies specific objectives or targets for significant biodiversity aspects. The biodiversity action plan includes considerations such as local ecological knowledge, identification of any no-go or buffer zones near key areas, and monitoring and evaluation mechanisms. The action plan is designed to address legal and corporate obligations (including those related to closure and post-closure) and align with existing regional initiatives, where possible.

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**FEATURE STORY:**

**Enhancing Biodiversity Management at the Fort Site**

Ongoing biodiversity efforts in 2022 have enabled the Fort Site to achieve Level A in each of the three indicators for the TSM Biodiversity Conservation Management Protocol. To facilitate this, five new biodiversity governance documents were written and rolled out to the Fort Site in 2022: The Wildlife Sighting Process (EMS-3-901), the Protected Wildlife Standard (EMS-3-900), the Invasive Vegetation and Clubroot Control Process (EMS-3-903), the Creek and Wetland Protection Process (EMS-3-902) and the Migratory Bird Management Guideline (EMS-6-900). A Record of Wildlife Sighting Form (EMS-7-900) was also created for site personnel to inform the Environment department of wildlife sightings and help form a wildlife monitoring system.

Biodiversity-specific training was also delivered in 2022 to outline site-wide requirements for biodiversity conservation management and clearly define roles and accountabilities for key stakeholders.

# Community and Social Impact

Sherritt maintains active engagement with our stakeholders for the betterment of our operations, employees and the communities in which we operate. We recognize that we have an important role in providing opportunities for local communities to achieve their development goals. We are firmly committed to providing a safe, respectful and inclusive work environment, and to upholding human rights throughout our supply chain. A summary of our management approach to material social topics and 2022 performance is provided on the next few pages. For detailed disclosures on all key topics, please refer to our [2022 Sustainability Scorecard](#). For information on our economic performance in 2022, please refer to our [2022 Financial Results Report](#).

## IN THIS SECTION

- Emergency Preparedness
- Occupational Health and Safety
- Feature Story: Promoting Road Safety to Children and Youth in Cuba
- Diversity and Inclusion
- Feature Story: Fort Site Kicks-Off Partnership with NAIT in 2022
- Community Development and Stakeholder Engagement
- Feature Story: Cowater FORMER Project
- Human Rights





## 2022 Highlights

- ▶ 23% of Sherritt's employees are women
- ▶ 43% of our Board of Directors are women (50% of our non-executive Board members)
- ▶ Approximately CAD\$1 million spent on local community investment projects in 2022
- ▶ Provided continued support to address Cuba's ambitions for economic development, energy security, decarbonization and a just climate transition through our joint venture partnerships
- ▶ Continued support of long-term community development project partnerships with UNICEF and Cowater in Cuba, and the Northern Alberta Institute of Technology at the Fort Site
- ▶ Produced reliable supply of low emission intensity power to the Cuban grid

# Emergency Preparedness

All operating sites have emergency response and business continuity plans in place, which are regularly reviewed and updated as needed.

To ensure the effectiveness of these plans in case of an emergency, the sites conduct simulations of emergency situations, implementing these plans and then discussing lessons learned and areas for improvement. To further enhance our approach, each of our operating sites are integrating the [TSM protocol for Crisis Management and Communications Planning](#).



# Occupational Health and Safety

Sherritt is committed to ensuring the health and safety of everyone at our operations and the aim is that everyone goes home unharmed at the end of the workday. In 2022, we achieved a 36% reduction in our Total Recordable Incident Frequency Rate (TRIFR) and a 42% reduction in Lost Time Incident Frequency Rate (LTIFR) over the past three years.

This commitment is embodied in several key mechanisms to prevent fatalities, minimize risks, ensure that leaders are coaching in work areas regularly, address psychological safety and mental health, involve personnel at every level of the operations to improve safety behaviours, and find continual improvement opportunities.

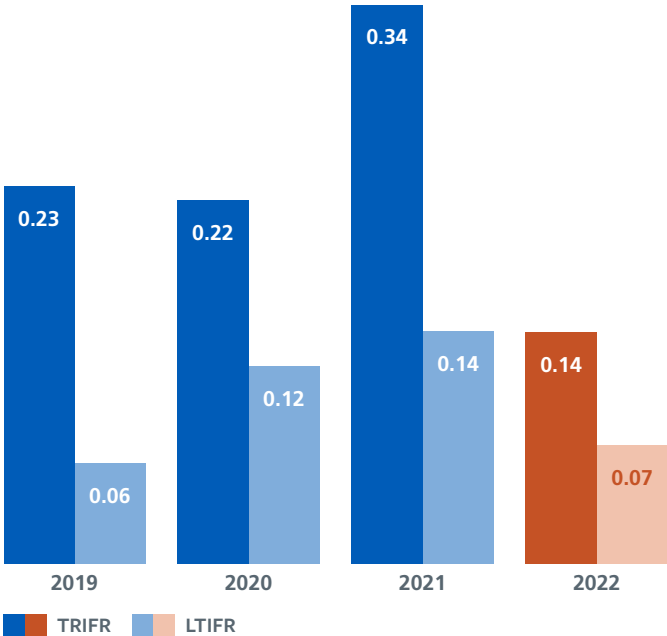
Over several years, we have worked to implement enterprise-wide standards aligned with industry guidelines. Sherritt’s health and safety standards draw from MAC’s [TSM Safety and Health Protocol](#), ISO 45001 and industry best practice related to fatality prevention. We update these standards regularly as part of our commitment to continuous improvement, operational excellence and a stronger safety culture.

We track a series of leading indicators designed to increase safe behaviours, improve competency, ensure safe working conditions and strengthen safety culture. These indicators include frequent face-to-face leadership interactions, proactive health and safety communications, workplace inspections and training. We also have a Significant Potential Incident Standard in place which requires tracking and specific management actions for any workplace incident that, under different circumstances, could have resulted in a fatality.

Assurance of our health and safety programs is conducted through regular executive reviews, peer comparisons, internal audits and external audits.

Although Sherritt’s safety record for 2022 exceeded our targets, the fatalities at our Moa Nickel site subsequent to year-end have reinforced the need for constant vigilance and continuous improvement. As mentioned previously, Sherritt will provide updates in our 2023 Sustainability Report on efforts currently underway to understand the gaps in our safety systems and the measures launched to prevent these tragedies from ever occurring again.

**FOUR-YEAR TRIFR AND LTIFR (GRI 403-9)**  
(employees and contractors per 200,000 hours worked)



**FEATURE STORY:**

**Promoting Road Safety to Children and Youth in Cuba**

Sherritt is committed to promoting the health and safety of its employees and communities near our operations. Road safety is a priority within Cuba. In 2022, Sherritt renewed its partnership with UNICEF to launch a three-year project aimed at preventing road traffic injuries to children and youth in Cuba. With Sherritt’s financial support, UNICEF will promote road safety education to over 490,000 children, youth, teachers and community stakeholders in the provinces of Mantanzas, Holguín and Pinar del Río.

The program builds on UNICEF’s extensive experience with road safety and is a part of UNICEF Cuba’s participation in the World Health Organization’s Global Plan Decade of Action for Road Safety, to continue and expand the work with the ambitious target of preventing at least 50% of road traffic deaths and injuries by 2030.

The intention of this program is to:

- Increase families’ awareness of how to prevent road accidents through communication initiatives aimed at social and behavioural change;
- Strengthen road safety education of children and adolescents, with emphasis on those most vulnerable; and
- Strengthen policies to protect children by ensuring that experience and best practices are shared among institutions, mass organizations and professionals on road safety, and child victims of road accidents.

This ongoing partnership builds on years of mutually beneficial collaboration between Sherritt and UNICEF in Cuba. Sherritt and UNICEF are proud to partner again to work towards the achievement of SDG 3.6 – to halve the number of global deaths and injuries from road traffic accidents.



# Diversity and Inclusion

Sherritt recognizes the inherent value that comes from having a diverse group of employees at all levels of the organization.

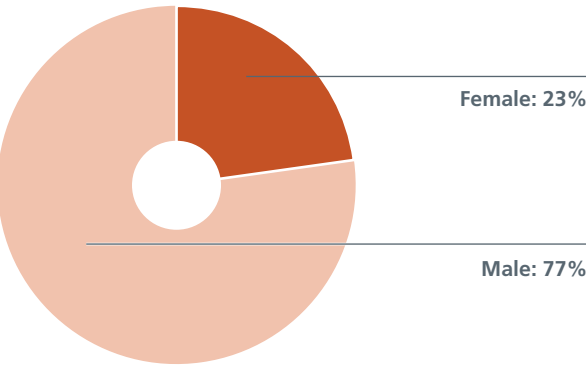
We understand that as the mining industry faces talent attraction and retention challenges, diversity, inclusiveness and a respectful work environment will be required to help us continue to excel. We also recognize that our stakeholders want to see themselves and their values reflected in our organization. We have set specific goals around increasing the number of female employees in the organization to 36%

by 2030 and have developed Employee Resource Groups and Diversity and Inclusion Committees specifically meant to promote diversity and inclusion. These goals are reinforced by our Diversity and Inclusion Policy and our Five-Year Action Plan as set out in Sherritt’s Global Framework for Diversity & Inclusion.

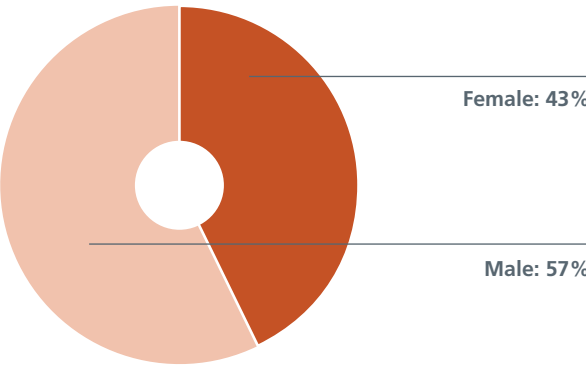
TABLE 7 – TOTAL NUMBER OF DIRECT EMPLOYEES BY EMPLOYMENT TYPE (PERMANENT AND TEMPORARY), BY GENDER (GRI 102-8-A)

Employee Information	2022	2021
Total number of permanent employees	818	887
Total number of permanent employees - female	188	192
Total number of permanent employees - male	630	685
Total number of temporary employees	48	44
Total number of temporary employees - female	12	19
Total number of temporary employees - male	36	25

GENDER DIVERSITY – PERMANENT EMPLOYEES



GENDER DIVERSITY – BOARD OF DIRECTORS



Sherritt’s female employment rate has increased 3% since our workforce diversity targets were first set in 2019

43% of our Board of Directors are women (50% of our non-executive Board members)



#### FEATURE STORY:

### Fort Site Kicks-Off Partnership with NAIT in 2022

In 2022, the Sustainability and Human Resources departments at the Fort Site collaborated with the Northern Alberta Institute of Technology (NAIT) to establish a three-year grant program. NAIT offers hands-on, technology-based education programs that provide graduates with the knowledge and skills needed to excel in their careers. Sherritt's Fort Site committed to providing eight \$1,500 grants to NAIT students each year for the next three years. These grants will be available to Indigenous students and women in Business Administration, Power Engineering, Chemical Technology, Chemical Engineering Technology and Environmental programs. This partnership serves as a terrific opportunity for Sherritt as we look to increase diversity in the workplace and talent pipeline.

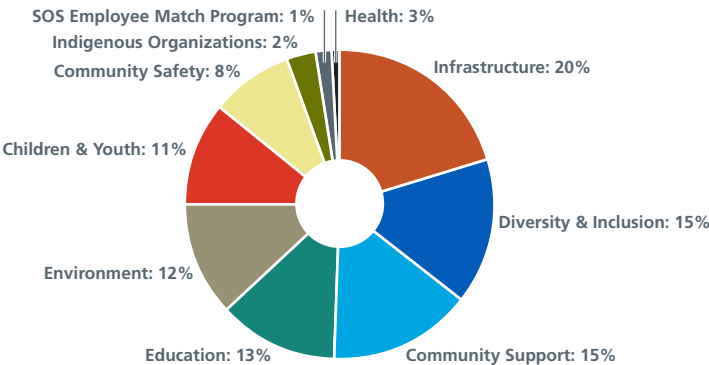
“We are grateful to Sherritt for supporting NAIT students in reducing barriers often faced by students in achieving their dream of post-secondary education. The impact on students reaches far beyond the financial lift but rather boosts their confidence and motivates them to achieve greatness.”

**Robyn Khunkun,**

Associate Vice President, Advancement and Alumni Relations



OUR COMMUNITY INVESTMENT SPEND IN 2022



# Community Development and Stakeholder Engagement

Effective stakeholder engagement is critical to maintaining our social licence to operate.

We work to establish and maintain productive relationships with our stakeholders and to maximize the shared benefits of our activities. Through our work, we aim to contribute to long-term mutual prosperity.

We take a respectful approach to engaging with our stakeholders and supporting the development of sustainable communities. We recognize that a significant part of our role is to help build human and institutional capacity wherever we operate so that local communities can achieve their development goals. Our goal is to align 100% of our community investment with needs and priorities as identified by communities themselves.

TABLE 8 – INDIRECT ECONOMIC IMPACTS (GRI 203-1)

Local Community	Community Investment Summary
Cuba-based community investment	<ul style="list-style-type: none"><li>• In Moa, Sherritt donated vital personal protection equipment for the Centre for Disaster Risk Reduction Management and IT equipment to support the cultural child-care project “La Colmenita”;</li><li>• In Matanzas, Sherritt donated submersible water pumps to communities in need of improved water supply and air conditioning units to the new Surgical Unit of Cardenas Hospital “Julio A. Villamil”;</li><li>• In Santa Cruz del Norte, Sherritt donated freezers and refrigerators to educational and public health centres in addition to donating LED lamps for public lighting in main thoroughfares;</li><li>• As part of a three-year partnership, Sherritt supported UNICEF on a road injury prevention program in Cuba; and</li><li>• In partnership with Cowater, Sherritt supported the electrification of rural areas with renewable energy in the province of Holguín.</li></ul>
Canada-based community investment	<ul style="list-style-type: none"><li>• In Toronto, Sherritt supported the <a href="#">Native Women’s Resource Centre</a>, <a href="#">Anduhyau Inc.</a> and <a href="#">Daily Bread Food Bank</a>;</li><li>• In Alberta, Sherritt supported <a href="#">Boyle Street Community Services</a>, <a href="#">Families First Society’s</a> mental health program, the <a href="#">Bent Arrow Healing Society</a>, <a href="#">Women Building Futures</a>, the <a href="#">Fort Saskatchewan Food Bank</a>, and Indigenous and women students at the <a href="#">Northern Alberta Institute of Technology</a>; and</li><li>• Additionally, Sherritt supported Canada-wide organizations including the <a href="#">Community Based Research Centre</a>, <a href="#">International Women in Mining</a>, <a href="#">Make-A-Wish Canada</a> and the <a href="#">Trans Canada Trail</a>.</li></ul>

**FEATURE STORY:**

**Cowater FORMER Project**

One of Sherritt’s sustainability goals is to create community benefit footprints that support local priorities and the United Nations SDGs. To achieve this, Sherritt has been an active partner in the Empowering Women’s Leadership and Participation in the Renewable Energy Sector in Cuba (FORMER) project. FORMER, implemented by Cowater International in partnership with Union Electrica, is a four-and-a-half-year project funded by Global Affairs Canada in co-operation with Sherritt.

The ultimate goal of FORMER is to enhance the social and economic well-being of women and vulnerable communities by increasing renewable energy sources and use in Cuba. In addition, FORMER is expected to directly benefit over 7,000 people through the installation of solar panels that will provide energy to close to 1,050 homes in 14 municipalities in the province of Holguín, with priority given to women-headed households. The initiative includes the training of women leaders in their communities so that they can, in addition to using the installations effectively, be generators of renewable energy knowledge and activities that increase productivity of women as well as improve their living conditions.

FORMER also focuses on the education of women professors and students through the development and delivery of a gender-responsive academic curriculum and learning/ training materials on renewable energy subjects and the establishment of internship/ apprenticeship opportunities. Technical assistance and training will also be offered to the Cuban Ministry of Mines and Energy with the aim of increasing the capacity of the Ministry to integrate women into the development of the renewable energy sector in several dimensions, including helping to propel women forward as decision-makers in the sector.



# Human Rights

Sherritt is committed to identifying and addressing human rights risks, including forced labour and the rights of children.

Although human rights issues do not currently represent a top risk at Sherritt, we have ensured our management systems align with industry guidelines and international commitments and expectations regarding human rights. We developed an enterprise-wide [Human Rights Policy](#) that aligns with OECD guidelines, and we remain committed to upholding the [Universal Declaration of Human Rights](#), along with other international principles. We also regularly engage with guidance provided through our membership and participation in the [Voluntary Principles on Security and Human Rights](#).

Sherritt regularly assesses human rights risks in its mineral supply chain, and to date, no risks of human rights abuses, artisanal or small-scale mining, forced labour, modern slavery or other red flags have been identified. Effective local laws and due diligence systems are in place at all Sherritt operations to prevent these risks. Measures are taken at the operations to comply with local human rights regulations and management systems. Sherritt also regularly conducts due diligence in the mineral supply chain to validate and ensure that human rights risks are identified and mitigated.

**None of our operations are in countries on the World Bank’s list of Fragile and Conflict-Affected Situations or other high-risk listings such as the E.U. indicative, non-exhaustive list of conflict-affected and high-risk areas under Regulation (EU) 2017/821**



# Governance

Sherritt recognizes the importance of having strong accountability mechanisms and governance structures in place and transparently reporting on the effectiveness of our policies and outcomes of our activities. Sherritt continues to engage third-party expertise, when necessary, to provide assurance related to our sustainability policies and results. A summary of our management approach to material governance topics and 2022 performance follows. For detailed disclosures on all key topics, please refer to our [2022 Sustainability Scorecard](#).

## IN THIS SECTION

- ESG Governance
- Grievance Mechanism
- Business Conduct



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## 2022 Highlights

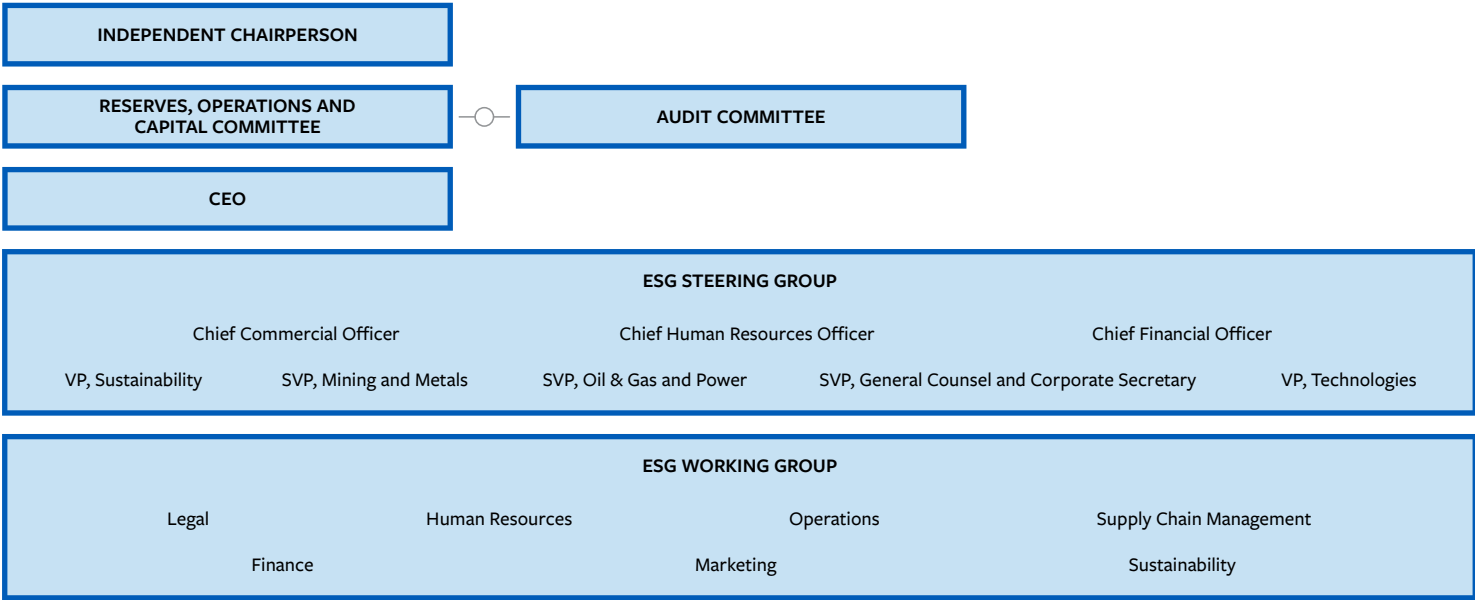
- ▶ Sherritt does not have any operations in countries that rank outside of the top 70 on the Corruption Perceptions Index (CPI)
- ▶ Functional oversight of Board on ESG matters
- ▶ Effective management and resolution of reports filed through our grievance mechanism

# ESG Governance

Sherritt has an independent chairperson and two committees of the Board of Directors that oversee matters related to ESG.

The Reserves, Operations and Capital (ROC) Committee is the primary Board committee charged with setting and monitoring implementation of ESG priorities and approving policies and actions identified by the ESG sustainability steering committee and working group. The ROC Committee meets at least four times per year, visits our operating sites (physically, or when not so permitted, virtually), and receives information from corporate and divisional management on a quarterly basis, and more often when required. The Committee chairperson reports to the Board on significant issues. A copy of the Committee’s mandate is publicly available [here](#).

Operationally, accountability for the Sustainability Framework is the responsibility of the CEO and the ESG Steering Group, which is comprised of all executives and heads of divisions. The ESG Steering Group identifies priorities for the ESG Working Group, which delivers on these across the organization and reports back to the Steering Group on outcomes as appropriate. ESG responsibilities are a part of all department and division mandates.



# Grievance Mechanism

Sherritt has a Whistleblower Policy and grievance mechanism that allow any person, anywhere in the value chain, to submit a reportable concern anonymously and confidentially through the system maintained by the Corporation’s designated external service provider.

Sherritt maintains mechanisms to facilitate the receipt, retention and treatment of reportable concerns and grievances. The mechanisms are intended to cover theft, fraud and allegations of any kind of unethical behaviour.

Reportable concerns may be submitted by any of the Corporation’s stakeholders, including employees, contractors, directors, officers, vendors and others.

# Business Conduct

Our Business Ethics Policy and Anti-Corruption Policy provide clear guidance to our workforce on what it means to act with integrity.

These policies cover conflicts of interest, fraud and corruption, fair dealings, protection and proper use of the company’s assets, compliance with regulatory requirements, disclosure, confidentiality, and reporting mechanisms available to employees and contractors. These policies are not available publicly but may be provided upon request.

As a Canadian corporation, we are subject to the [Canadian Corruption of Foreign Public Officials Act](#) (CFPOA), as well as anti-corruption laws in Cuba. The CFPOA prohibits Canadian (and Canadian-controlled) corporations and their intermediaries from making or offering improper payment of any kind to a foreign public official, or any other person for the benefit of the public official, where the ultimate purpose is to obtain or retain a business advantage. Our Anti-Corruption Policy prohibits violation of the CFPOA and other applicable anti-corruption laws. Some of Sherritt’s operations are located in jurisdictions where governmental and commercial corruption can present a risk. As such, Sherritt uses a risk-based approach to mitigate risks associated with corruption.

This risk-based approach includes ensuring that all business divisions, groups and offices undergo mandatory anti-corruption training and are required to log all government meetings and payments. Sherritt complies with the Extractive Sector Transparency Measures Act (ESTMA) in Canada and supports the implementation of the Extractive Industry Transparency Initiative abroad. On an annual basis, Sherritt produces and discloses an ESTMA report which transparently itemizes payments made to governments in Canada and Cuba. These reports have been made publicly available and are found [here](#).

In Canada and Cuba, governmental and commercial corruption does not present a significant risk, based on the latest [Corruption Perceptions Index](#) (CPI). Sherritt does not have any operations in countries that rank outside of the top 70 on the CPI.

**ONLINE:**  
<https://www.clearviewconnects.com/home>

**SKYPE AUDIO REPORTING:**  
[clearview-sherritt](#)

**TELEPHONE:**  
Toll-free (North America): **1-866-840-8702**  
Long distance: **1-416-386-5397**

For concerns related to the Fort Site in Fort Saskatchewan, Alberta, please call **1-780-992-7000**.

# Forward-Looking Statements

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This Sustainability Report contains forward-looking statements. Forward-looking statements can generally be identified using statements that include such words as “believe”, “expect”, “anticipate”, “intend”, “plan”, “forecast”, “likely”, “may”, “will”, “could”, “should”, “suspect”, “outlook”, “potential”, “projected”, “continue” or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to, statements regarding Sherritt’s strategy, plans, targets and goals in respect of environmental and social governance issues, including climate change and greenhouse gas emissions reduction targets and certain target amounts as they pertain to environmental and social governance commitments.

Forward-looking statements are not based on historical facts, but rather on current expectations, assumptions and projections about future events, including commodity and product prices and demand; the level of liquidity and access to funding; share price volatility; production results; realized prices for production; earnings and revenues; global demand for electric vehicles and the anticipated corresponding demand for cobalt and nickel; the commercialization of certain proprietary technologies and services; advancements in environmental and greenhouse gas (GHG) reduction technology; GHG emissions reduction goals and the anticipated timing of achieving such goals, if at all; statistics and metrics relating to Environmental, Social and Governance (ESG) matters which are based on assumptions or developing standards; environmental rehabilitation provisions; environmental risks and liabilities; compliance with applicable environmental laws and regulations; risks related to the U.S. government policy toward Cuba; and certain corporate objectives, goals and plans for 2023. By their nature, forward-looking statements require the Corporation to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that the assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections.

The Corporation cautions readers of this Sustainability Report not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, security market fluctuations and price volatility; level of liquidity and the related ability of the Moa Joint Venture to pay dividends; access to capital; access to financing; the risk to Sherritt’s entitlements to future distributions (including pursuant to the Cobalt Swap) from the Moa Joint Venture, the impact of infectious diseases

(including the COVID-19 pandemic), the impact of global conflicts; changes in the global price for nickel, cobalt, oil, gas, fertilizers or certain other commodities; risks related to Sherritt’s operations in Cuba; risks related to the U.S. government policy toward Cuba, including the U.S. embargo on Cuba and the Helms-Burton legislation; political, economic and other risks of foreign operations; uncertainty in the ability of the Corporation to enforce legal rights in foreign jurisdictions; uncertainty regarding the interpretation and/or application of the applicable laws in foreign jurisdictions; compliance with applicable environment, health and safety legislation and other associated matters; risks associated with governmental regulations regarding climate change and greenhouse gas emissions; risks relating to community relations; maintaining social licence to grow and operate; risks related to environmental liabilities including liability for reclamation costs, tailings facility failures and toxic gas releases; uncertainty about the pace of technological advancements required in relation to achieving ESG targets; risks to information technologies systems and cybersecurity; identification and management of growth opportunities; the ability to replace depleted mineral reserves; risk of future non-compliance with debt restrictions and covenants; risks associated with the Corporation’s joint venture partners; variability in production at Sherritt’s operations in Cuba; risks associated with mining, processing and refining activities; potential interruptions in transportation; uncertainty of gas supply for electrical generation; reliance on key personnel and skilled workers; growth opportunity risks; the possibility of equipment and other failures; uncertainty of resources and reserve estimates; the potential for shortages of equipment and supplies, including diesel; supplies quality issues; risks related to the Corporation’s corporate structure; risks associated with the operation of large projects generally; risks related to the accuracy of capital and operating cost estimates; foreign exchange and pricing risks; credit risks; shortage of equipment and supplies; competition in product markets; future market access; interest rate changes; risks in obtaining insurance; uncertainties in labour relations; legal contingencies; risks related to the Corporation’s accounting policies; uncertainty in the ability of the Corporation to obtain government permits; failure to comply with, or changes to, applicable government regulations; bribery and corruption risks, including failure to comply with the Corruption of Foreign Public Officials Act or applicable local anti-corruption law; the ability to accomplish corporate objectives, goals and plans for 2023; and the ability to meet other factors listed from time to time in the Corporation’s continuous disclosure documents.

The Corporation, together with its Moa Joint Venture, is pursuing a range of growth and expansion opportunities, including, without limitation, process technology solutions, development projects, commercial implementation opportunities, life of

mine extension opportunities and the conversion of mineral resources to reserves. In addition to the risks noted above, factors that could, alone or in combination, prevent the Corporation from successfully achieving these opportunities may include, without limitation: identifying suitable commercialization and other partners; successfully advancing discussions and successfully concluding applicable agreements with external parties and/or partners; successfully attracting required financing; successfully developing and proving technology required for the potential opportunity; successfully overcoming technical and technological challenges; successful environmental assessment and stakeholder engagement; successfully obtaining intellectual property protection; successfully completing test work and engineering studies, prefeasibility and feasibility studies, piloting, scaling from small-scale to large-scale production, procurement, construction, commissioning, ramp-up to commercial scale production and completion; and securing regulatory and government approvals. There can be no assurance that any opportunity will be successful, commercially viable, completed on time or on budget, or will generate any meaningful revenues, savings or earnings, as the case may be, for the Corporation. In addition, the Corporation will incur costs in pursuing any particular opportunity, which may be significant. Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described in the Corporation’s other documents filed with the Canadian securities authorities, including without limitation the “Managing Risk” section of the Management’s Discussion and Analysis for the three months ended March 31, 2023 and the Annual Information Form of the Corporation dated March 31, 2023 for the period ending December 31, 2022, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Corporation may, from time to time, make oral forward-looking statements. The Corporation advises that the above paragraph and the risk factors described in this Sustainability Report and in the Corporation’s other documents filed with the Canadian securities authorities should be read for a description of certain factors that could cause the actual results of the Corporation to differ materially from those in the oral forward-looking statements. The forward-looking information and statements contained in this Sustainability Report are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any oral or written forward-looking information or statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.



**Sherritt International Corporation**

22 Adelaide Street West, Suite 4220

Toronto, Ontario, Canada M5H 4E3

1-800-704-6698 (toll-free from within North America)

1-416-924-4551 (outside North America)

info@sherritt.com

sustainability@sherritt.com

Concept and Design: [worksdesign.com](http://worksdesign.com)

[sustainability.sherritt.com](http://sustainability.sherritt.com)